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FINANCIAL REPORT

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For the fiscal year ended

June 30, 1985

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COMPILED UNDER THE SUPERVISION OF

WALLACE G. MORROW
County Auditor-Controller

FINANCIAL REPORT

COUNTY OF STANISLAUS, CALIFORNIA

Compiled Under the Supervision of

WALLACE G. MORROW
County Auditor-Controller
and
CHRIS PAPESH, CPA
Assistant Auditor-Controller
by
KENNETH GREEN
Principal Accountant

FOR THE FISCAL YEAR ENDED

JUNE 30, 1985

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OFFICE OF
AUDITOR-CONTROLLER

P. O. BOX 770 MODESTO, CALIFORNIA 95353-0770

(209) 571-6398 WALLACE G. MORROW, AUDITOR-CONTROLLER

December 13, 1985

Honorable Board of Supervisors
County of Stanislaus
1100 H Street
Modesto, CA 95354

Gentlemen:

The Comprehensive Annual Financial Report of the County of Stanislaus for the year ended June 30, 1985, is hereby submitted in compliance with the provisions of Section 25253 of the Government Code of the State of California. This report was prepared by the County's Auditor-Controller Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects. Appropriate disclosures and supplementary data are included in this report.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The modified accrual basis of accounting is followed for all governmental and Agency Funds. Revenues are recognized when available and measurable. Revenues which are accrued include federal and state grants and subventions, property taxes, interest, franchises and charges for current services. Revenues which are not considered susceptible to accrual include certain licenses, permits, fines, forfeitures, and penalties. Expenditures are recorded when the fund liability is incurred.

Encumbrances outstanding at year end are recorded as reservations of fund balances.

The accrual basis of accounting is followed for all proprietary fund types. Revenues are recognized in the period in which they are earned and become measurable, and expenses are recognized in the period incurred.

The County's accounting system includes various internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition, and
- the reliability of financial records for preparing financial statements and maintained accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived, and
- the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Appropriations are controlled for each fund or budget unit at the object level of expenditure except fixed assets which is at the sub-object level. All unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available for the financing of next year's budget.

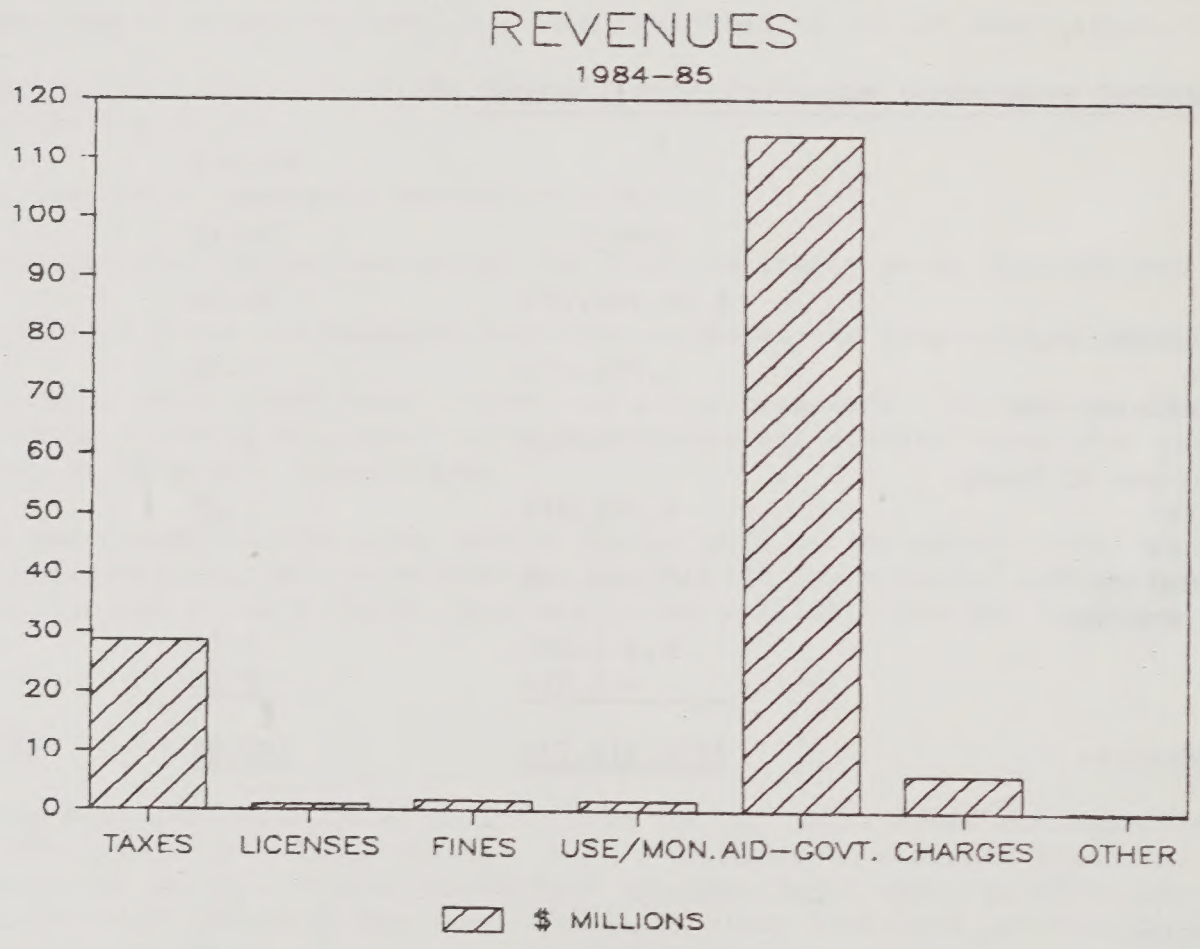
REPORTING ENTITY

The accompanying financial statements include data for all departments and agencies comprising the County of Stanislaus as a legal entity. Note 1 of Notes to Combined Financial Statements defines the reporting entity. There are certain separate legal entities which share the title "County of Stanislaus," including numerous school and other districts governed by local boards. These entities are autonomous organizations with their own governmental powers. They maintain their own financial records and issue financial statements separate and distinct from those of the County. Accordingly, they are not included in the accompanying financial statements, except as to their assets held by the County (principally cash and investments held by the County Treasurer) as discussed in Notes 1 to the Combined Financial Statements. In addition, the financial statements do not include the Scenic General Hospital Fund which is under the control of the Board of Supervisors acting as Board of Trustees. Most of these entities are audited annually. Copies of their financial statements may be obtained through the County Auditor-Controller's office as soon as they are available.

Readers of this report are reminded that certain monies held in the County Treasury represent Agency Funds held for others and as such are not available for the general use of County government.

FINANCIAL OPERATING HIGHLIGHTS (ALL GOVERNMENTAL FUNDS)

Revenues	Amount	Percent of Total	Increase (Decrease) from 1983-84
Taxes	$ 28,744,705	18.6%	$ 1,712,787
Licenses, Permits and Franchises	1,076,875	0.7%	(69,419)
Fines, Forfeitures and Penalties	1,915,558	1.3%	227,208
Revenue from Use of Money and Property	1,892,011	1.2%	(850,962)
Aid from Other Governmental Units	113,927,008	73.8%	8,559,755
Charges for Current Services	6,314,062	4.1%	(567,049)
Other	442,516	0.3%	60,140
Total Revenues	$154,312,735	100.0%	$ 9,072,460
Expenditures			
Current Operating:			
General Government	$ 6,117,146	3.8%	$ (333,534)
Public Protection	36,740,253	22.5%	4,259,094
Public Ways and Facilities	9,364,487	5.7%	1,955,757
Health Services	11,817,494	7.3%	1,192,790
Public Assistance	90,127,363	55.2%	8,452,548
Education	4,768,805	2.9%	916,311
Recreation and Culture	1,468,622	0.9%	195,256
Capital Outlay	2,808,997	1.7%	(320,558)
Total Expenditures	$163,213,167	100.0%	$16,317,664



This graph shows the relative amount of revenue from state and federal programs (Aid from Other Governmental Units--"AID GOVT." of $113.9 million in 1984-85) compared to other revenue categories.

Revenues

Revenues for the year ended June 30, 1985, were $154.3 million, compared to $145.2 million in the prior year, an increase of 6.3%. The property and sales tax revenue increased from $27.0 million in 1983-84 to $28.7 million in 1984-85, representing an increase of $1.7 million.

Expenditures

Total expenditures for the year ended June 30, 1985, were $163.2 million. This amount represents an 11.1% increase over the prior year. The difference between expenditures and revenues reflects $1.0 million in net transfers in and $7.9 million from prior years fund balance.

General Fund Balance

The County had a fund balance available of $746,780 in the General Fund at the end of the year which will be used to finance a portion of the 1985-86 budget.

Cash Management

Cash is pooled and held in commingled accounts by the County Treasurer for the purpose of increasing interest income through investment activities. Investments are stated at cost, which approximates market value. Pooled investments consist of United States Treasury and agency obligations, bankers acceptances, commercial paper, negotiable and time certificates of deposit and other investments authorized by Government Code Section 53635, which at June 30, 1985, amounted to approximately $79,486,441.

FUTURE OUTLOOK

The post-Proposition 13 environment continues to impact the County of Stanislaus. Future County financing still remains dependent upon four factors: (1) the ability and desire of the State to provide revenue, (2) local economic conditions impacting the assessed values of properties, (3) County management's success in realizing productivity improvements and corresponding cost reductions, and (4) many County program costs, such as courts and law enforcement which are determined by caseload volumes and cannot effectively be controlled by the County.

There continues to be the potential for additional initiatives and new legislation which can impact state and county finances. The impact of the federal budget deficit may also have an

effect on county financing with expected reductions in federal programs such as Revenue Sharing. With approximately 75% of our funding dependent upon state and federal monies, control of both our finances and programs continues to decrease. In addition, federal and state policies have shifted program costs to the local level without providing sufficient financial resources to operate these programs.

Our goal is to continue to make effective use of technology as a management tool. Our objective in 1986 is to install a modern on-line, computerized, accounting system and payroll system to provide timely and relevant information for all financial management decisions. The County of Stanislaus has continually dealt with problems through leadership and innovative staff. This demonstrated leadership and resourcefulness should enable the County to deal with future financial problems.

INDEPENDENT AUDIT

The financial statements have been audited by the certified public accounting firm of Alexander Grant & Company. The County's independent auditors have reviewed the adequacy of internal controls and the information included in the Comprehensive Annual Financial Report. The auditor's opinion is included in this report.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. I should like to express my appreciation to all members of the Office and our independent auditor, Alexander Grant & Company, who assisted and contributed to its preparation. I should also like to thank the Board of Supervisors for their support and actions to maintain the fiscal integrity of the County.

Respectfully submitted,

Wallace G. Morrow

WALLACE G. MORROW
Auditor-Controller
County of Stanislaus

WGM:CFP:sb

GENERAL PURPOSE FINANCIAL STATEMENTS

Alexander Grant
& COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER FIRM
GRANT THORNTON INTERNATIONAL

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

To the Honorable Grand Jury
and Board of Supervisors
County of Stanislaus
Modesto, California

We have examined the combined financial statements of the County of Stanislaus at June 30, 1985, and for the year then ended appearing on pages 2 through 14. Our examination was made in accordance with generally accepted auditing standards and, accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, the combined financial statements designated above do not include the financial statements of the Scenic General Hospital Fund which is under the control of the Board of Supervisors acting as Board of Trustees, and schools, districts, trusts and other agencies which are not governed by the Board of Supervisors.

In our opinion, except that the omission of the financial statements described in the preceding paragraph results in an incomplete presentation, the combined financial statements present fairly the financial position of the County of Stanislaus at June 30, 1985, and the results of its operations and changes in financial position of its proprietary fund types and similar trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Alexander Grant & Company

Modesto, California
October 18, 1985

1400 K STREET P.O. BOX 1131 MODESTO, CA 95353 (209) 577-4571

COUNTY OF STANISLAUS
COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1985

	Governmental Fund Types			
	General	Special Revenues	Capital Projects	Special Assessments
ASSETS:				
Cash in Treasury	$1,269,374.08	$3,294,033.28	$4,441,094.78	$15,636.83
Imprest Cash	125,725.00	15.00		
Receivables (Net of Allowances for Uncollectibles):				
Taxes	1,178,798.26			
Accounts	6,856,770.84	3,104,307.68		
Due From Other Funds	21,350.00	44,441.26		
Inventory of Supplies, at Cost		516,216.31		
Deposits With Others		468,700.00		
Land				
Accumulated Amortization				
Structures and Improvements				
Accumulated Depreciation				
Equipment				
Accumulated Depreciation				
Amount to be Provided for Retirement of Long-Term Debt				
Total Assets	$9,452,018.18	$7,427,713.53	$4,441,094.78	$15,636.83
LIABILITIES AND EQUITY				
Liabilities:				
Accounts Payable	$2,215,285.60	$171,806.23	$1,031,340.15	$
Salaries and Benefits Payable	4,690,218.60	143,976.34		
Self Insurance Liability				
Due to Other Funds				44,441.26
Liability for Compensated Absences	257,261.00	15,840.00		
Capital Lease Obligation				
Total Liabilities	$7,162,765.20	$331,622.57	$1,031,340.15	$44,441.26

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		
Enterprise	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
$ 1,246,429.87	$ 7,821,451.11	$11,928,100.96	$	$	$30,016,120.91
200.00		55.00			125,995.00
		17,602.08			1,196,400.34
228,772.44	273,218.86				10,463,069.82
					65,791.26
	391,375.02	19,751.59			927,342.92
	256,600.00				725,300.00
362,710.90			4,843,740.26		5,206,451.16
(325,678.50)					(325,678.50)
188,854.90	139,316.29		34,148,829.40		34,477,000.59
(186,251.49)	(32,056.54)				(218,308.03)
71,217.71	4,992,823.73	607,266.39	7,459,515.05		13,130,822.88
(25,358.07)	(2,826,796.13)	(139,410.36)			(2,991,564.56)
				6,325,817.00	6,325,817.00
$ 1,560,897.76	$11,015,932.34	$12,433,365.66	$46,452,084.71	$6,325,817.00	$99,124,560.79
$ 88,999.30	$ 380,106.41	$ 442,878.51	$	$	$ 4,330,416.20
24,253.27	203,959.95				5,062,408.16
	2,450,318.23				2,450,318.23
					44,441.26
42,983.00	268,765.00			6,325,817.00	6,910,666.00
	455,534.47				455,534.47
$ 156,235.57	$ 3,758,684.06	$ 442,878.51	$ 0.00	$6,325,817.00	$19,253,784.32

COUNTY OF STANISLAUS
COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1985

	Governmental Fund Types			
	General	Special Revenues	Capital Projects	Special Assessments
Fund Equity:				
Contributed Capital	$	$	$	$
Investments in General Fixed Assets				
Retained Earnings (Deficit):				
Reserved				
Unreserved				
Fund Balances:				
Reserved for Encumbrances	275,468.39	236,252.15	388,627.86	
Reserved for Inventory Supplies		516,216.31		
Reserved for Imprest Cash	125,725.00	15.00		
Reserved for Due From Other Funds	17,350.00	44,441.26		
Reserved--General		147,715.46		
Reserved for Deposit With Others		468,700.00		
Unreserved:				
Designated for Subsequent Years' Expenditures	1,123,929.48	4,824,560.19	2,592,431.79	
Undesignated	746,780.11	858,190.59	428,694.98	(28,804.43)
Total Fund Equity	$2,289,252.98	$7,096,090.96	$3,409,754.63	$(28,804.43)
Total Liabilities and Fund Equity	$9,452,018.18	$7,427,713.53	$4,441,094.78	$ 15,636.83

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		
Enterprise Landfills	Internal Service	Trust & Agency	General Fixed Assets	General Long-Term Debt	Total (Memorandum Only)
$ 428,132.21	$ 3,795,366.07	$	$	$	$ 4,223,498.28
			46,452,084.71		46,452,084.71
93,996.69	255,299.82				349,296.51
882,533.29	3,206,582.39	560,574.23			4,649,689.91
		7,100.00			907,448.40
					516,216.31
					125,740.00
					61,791.26
		10,500.00			158,215.46
					468,700.00
					8,540,921.46
		11,412,312.92			13,417,174.17
$1,404,662.19	$ 7,257,248.28	$11,990,487.15	$46,452,084.71	$ 0.00	$79,870,776.47
$1,560,897.76	$11,015,932.34	$12,433,365.66	$46,452,084.71	$6,325,817.00	$99,124,560.79

COUNTY OF STANISLAUS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES--
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED JUNE 30, 1985

STATEMENT 1--EXHIBIT I
SCHEDULE A

	Governmental Fund Types				Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Special Assessment	Expendable Trust/Agencies
Revenues:					
Taxes	$ 26,487,319.31	$ 2,257,385.79	$	$	$ 706,411.88
Special Assessment Levied				26,978.93	64,527.71
Licenses, Permits, Franchises	1,061,113.27	15,761.60			
Fines, Forfeits, Penalties	793,088.75	1,122,469.05			
Revenue From Use of Money/Property	1,468,079.53	423,931.02		275.02	13,182.52
Aid From Other Govt. Agencies	97,949,900.20	10,636,010.23	5,341,098.00		32,845.15
Charges for Services	6,168,955.07	145,107.19			
Other Revenue	392,282.65	50,233.47			9,912.40
Total Revenue	$134,320,738.78	$14,650,898.35	$ 5,341,098.00	$ 27,253.95	$ 826,879.66
Expenditures:					
Current:					
General Government	$ 6,090,260.41	$	$ 26,885.17	$ 11,407.78	$ 825,670.08
Public Protection	36,278,535.35	461,717.25			
Public Ways and Facilities	4,114.12	9,360,372.84			
Health and Sanitation	11,595,081.30	222,412.83			
Public Assistance	84,688,665.03	5,299,367.24	139,330.59		
Education	4,361,508.53	407,296.47			
Recreation and Culture	1,287,000.02		181,622.00		
Capital Outlay			2,808,996.74		
Total Expenditures	$144,305,164.76	$15,751,166.63	$ 3,156,834.50	$ 11,407.78	$ 825,670.08
Excess of Revenues Over (Under) Expenditures	$ (9,984,425.98)	$(1,100,268.28)	$ 2,184,263.50	$ 15,846.17	$ 1,209.58
Other Financing Sources (Uses):					
Transfers In - Note 6	$ 4,694,194.03	$ 177,710.05	$	$	$ 476,264,247.98
Transfers Out - Note 6	(77,710.05)		(3,754,814.00)		(482,828,676.27)
Total Other Financing Sources	$ 4,616,483.98	$ 177,710.05	$(3,754,814.00)	$ 0.00	$ (6,564,428.29)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	$ (5,367,942.00)	$ (922,558.23)	$(1,570,550.50)	$ 15,846.17	$ (6,563,218.71)
Fund Balances (Deficit) - July 1, 1984	7,657,194.98	8,018,649.19	4,980,305.13	(44,650.60)	$ 17,993,131.63
Fund Balances (Deficit) - June 30, 1985	$ 2,289,252.98	$ 7,096,090.96	$ 3,409,754.63	$(28,804.43)	$ 11,429,912.92

The notes to the financial statements are an integral part of this statement.

COUNTY OF STANISLAUS
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES--ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED JUNE 30, 1985

STATEMENT 1--EXHIBIT I
SCHEDULE B

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non-Expendable Trust
Operating Revenues:			
Charges for Services/Fees	$1,864,672.32	$14,098,379.62	$ 90,775.00
Investment Income		481,044.08	
Sales/Other Revenue	35,558.95	237,970.64	268,080.90
Total Operating Revenue	$1,900,231.27	$14,817,394.34	$358,855.90
Operating Expenses:			
Personal Services	$ 380,326.28	$ 3,014,916.87	$ 48,465.50
Contractual and County Services	600,947.45	742,530.50	2,136.28
Equipment Rental	463,715.11	1,473,696.24	244.24
Office and Travel	13,613.27	47,051.05	1,649.50
Materials, Fuel, and Supplies	72,402.31	2,369,061.13	233,852.75
Utilities	6,984.23	79,302.82	7,252.73
Depreciation and Amortization	11,004.82	588,757.24	31,178.75
Benefit Payments/Withdrawals		3,083,505.29	
Repairs and Maintenance	27,439.66	180,368.30	14,249.85
Insurance Expense	784.85	459,156.93	262.70
Other	3,536.46	1,532.93	
Other Operating Expense	$1,580,754.44	$12,039,879.30	$339,292.30
Operating Income	$ 319,476.83	$ 2,777,515.04	$ 19,563.60
Nonoperating Revenues:			
Operating Grants	$ 577,571.92	$	$
Interest Revenue	64,704.01	14.12	6,944.93
Rent	3,680.00		
Gain on Disposal - Fixed Assets		6,324.15	
Total Nonoperating Revenues	$ 645,955.93	$ 6,338.27	$ 6,944.93
Income Before Operating Transfers	$ 965,432.76	$ 2,783,853.31	$ 26,508.53
Operating Transfers Out - Note 6	$ 0.00	$ 0.00	$(35,747.90)
Net Income (Loss)	$ 965,432.76	$ 2,783,853.31	$ (9,239.37)
Retained Earnings/Fund Balances - July 1, 1984	$ 11,097.22	$ 678,028.90	$569,813.60
Retained Earnings/Fund Balances - June 30, 1985	$ 976,529.98	$ 3,461,882.21	$560,574.23

The notes to the financial statements are an integral part of this statement.

COUNTY OF STANISLAUS
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL--GENERAL, SPECIAL REVENUE, AND CAPITAL PROJECTS FUND TYPE
YEAR ENDED JUNE 30, 1985

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	$ 26,519,870.00	$ 26,487,319.31	$ (32,550.69)	$ 2,194,911.00	$ 2,257,385.79	$ 62,474.79
Licenses, Permits, and Franchises	1,170,028.00	1,061,113.27	(108,914.73)		15,761.60	15,761.60
Fines, Forfeits, and Penalties	894,835.00	793,088.75	(101,746.25)	1,028,750.00	1,122,469.05	93,719.05
Revenues From Use of Money and Property	2,407,940.00	1,468,079.53	(939,860.47)	258,600.00	423,931.02	165,331.02
Aid From Other Governmental Agencies	101,108,055.84	97,949,900.20	(3,158,155.64)	12,354,610.00	10,636,010.23	(1,718,599.77)
Charges for Services	5,523,391.00	6,168,955.07	645,564.07	91,000.00	145,107.19	54,107.19
Other Revenue	257,306.79	392,282.65	134,975.86	343,343.99	50,233.47	(293,110.52)
Total	$137,881,426.63	$134,320,738.78	$(3,560,687.85)	$16,271,214.99	$14,650,898.35	$(1,620,316.64)
Expenditures:						
General Government	$ 8,447,146.97	$ 6,090,260.41	$ 2,356,886.56	$	$	$
Public Protection	36,511,722.89	36,278,535.35	233,187.54	417,507.00	461,717.25	(44,210.25)
Public Ways and Facilities	7,875.00	4,114.12	3,760.88	15,190,680.26	9,360,372.84	5,830,307.42
Health and Sanitation	11,938,816.47	11,595,081.30	343,735.17	217,828.00	222,412.83	(4,584.83)
Public Assistance	85,165,168.88	84,688,665.03	476,503.85	6,906,406.73	5,299,367.24	1,607,039.49
Education	4,508,535.04	4,361,508.53	147,026.51	736,506.00	407,296.47	329,209.53
Recreation and Culture	1,279,366.86	1,287,000.02	(7,633.16)			
Capital Projects						
Contingencies	913,684.59		913,684.59	77,342.00		77,342.00
Total	$148,772,316.70	$144,305,164.76	$ 4,467,151.94	$23,546,269.99	$15,751,166.63	$ 7,795,103.36
Excess of Revenues Over (Under) Expenditures	$(10,890,890.07)	$ (9,984,425.98)	$ 906,464.09	$(7,275,055.00)	$(1,100,268.28)	$ 6,174,786.72
Other Financing Sources (Uses):						
Transfers In - Note 6	$ 3,354,814.00	$ 4,694,194.03	$ 1,339,380.03	$ 183,988.00	$ 177,710.05	$ (6,277.95)
Transfers Out - Note 6	(86,015.00)	(77,710.05)	8,304.95			
Total	$ 3,268,799.00	$ 4,616,483.98	$ 1,347,684.98	$ 183,988.00	$ 177,710.05	$ (6,277.95)
Excess of Revenues and Other Sources Over (Under) Expenditures & Other Uses	$ (7,622,091.07)	$ (5,367,942.00)	$ 2,254,149.07	$(7,091,067.00)	$ (922,558.23)	$ 6,168,508.77
Fund Balance at Beginning of Year	$ 7,657,194.98	$ 7,657,194.98	$ 0.00	$ 8,018,649.19	$ 8,018,649.19	$ 0.00
Fund Balance at End of Year	$ 35,103.91	$ 2,289,252.98	$ 2,254,149.07	$ 927,582.19	$ 7,096,090.96	$ 6,168,508.77

The notes to the financial statements are an integral part of this statement.

Capital Project Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
$	$	$	$ 28,714,781.00	$ 28,744,705.10	$ 29,924.10
			1,170,028.00	1,076,874.87	(93,153.13)
			1,923,585.00	1,915,557.80	(8,027.20)
			2,666,540.00	1,892,010.55	(774,529.45)
5,341,098.00	5,341,098.00		118,803,763.84	113,927,008.43	(4,876,755.41)
			5,614,391.00	6,314,062.26	699,671.26
			600,650.78	442,516.12	(158,134.66)
$ 5,341,098.00	$ 5,341,098.00	$ 0.00	$159,493,739.62	$154,312,735.13	$(5,181,004.49)
$ 31,500.00	$ 26,885.17	$ 4,614.83	$ 8,478,646.97	$ 6,117,145.58	$ 2,361,501.39
			36,929,229.89	36,740,252.60	188,977.29
			15,198,555.26	9,364,486.96	5,834,068.30
			12,156,644.47	11,817,494.13	339,150.34
140,015.00	139,330.59	684.41	92,211,590.61	90,127,362.86	2,084,227.75
			5,245,041.04	4,768,805.00	476,236.04
182,000.00	181,622.00	378.00	1,461,366.86	1,468,622.02	(7,255.16)
5,576,356.05	2,808,996.74	2,767,359.31	5,576,356.05	2,808,996.74	2,767,359.31
			991,026.59		991,026.59
$ 5,929,871.05	$ 3,156,834.50	$2,773,036.55	$178,248,457.74	$163,213,165.89	$15,035,291.85
$ (588,773.05)	$ 2,184,263.50	$2,773,036.55	$(18,754,718.12)	$ (8,900,430.76)	$ 9,854,287.36
$	$	$	$ 3,538,802.00	$ 4,871,904.08	$ 1,333,102.08
(3,454,814.00)	(3,754,814.00)	(300,000.00)	(3,540,829.00)	(3,832,524.05)	(291,695.05)
$(3,454,814.00)	$(3,754,814.00)	$ (300,000.00)	$ (2,027.00)	$ 1,039,380.03	$ 1,041,407.03
$(4,043,587.05)	$(1,570,550.50)	$2,473,036.55	$(18,756,745.12)	$ (7,861,050.73)	$10,895,694.39
$ 4,980,305.13	$ 4,980,305.13	$ 0.00	$ 20,656,149.30	$ 20,656,149.30	$ 0.00
$ 936,718.08	$ 3,409,754.63	$2,473,036.55	$ 1,899,404.18	$ 12,795,098.57	$10,895,694.39

COUNTY OF STANISLAUS
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION -
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED JUNE 30, 1985

STATEMENT 1--EXHIBIT I
SCHEDULE D

	Proprietary Fund Type		Fiduciary Fund Type
	Enterprise	Internal Service	Non-Expendable Trust
Source of Working Capital:			
Operations:			
Net Income (Loss)	$965,432.76	$2,783,853.31	$(9,239.37)
Items Not Requiring (Providing) Working Capital:			
Depreciation	11,004.82	588,757.24	31,178.75
Gain on Disposal - Fixed Assets		(6,324.15)	
Working Capital Provided by Operations	$976,437.58	$3,366,286.40	$21,939.38
Proceeds from Sale of Fixed Assets		13,174.15	
Contributions		195,484.48	
Increase in Capital Lease		455,534.47	
TOTAL SOURCES OF WORKING CAPITAL	$976,437.58	$4,030,479.50	$21,939.38
Uses of Working Capital:			
Acquisition of Fixed Assets	$ 1,118.55	$1,077,888.51	$19,098.33
TOTAL USES OF WORKING CAPITAL	$ 1,118.55	$1,077,888.51	$19,098.33
NET INCREASE WORKING CAPITAL	$975,319.03	$2,952,590.99	$ 2,841.05
Elements of Net Increases (Decreases) in Working Capital:			
Cash	$861,082.48	$1,517,462.28	$ 1,895.13
Accounts Receivable (Net)	137,158.67	76,364.96	
Deposit With Others		209,000.00	
Inventory of Supplies		(72,943.06)	6,008.50
Accounts Payable	(30,068.52)	79,623.93	
Salaries Payable	(1,260.80)	(29,408.28)	(5,062.58)
Self-Insurance Liability		1,246,269.99	
Liability for Compensated Absences	8,407.20	(73,778.83)	
NET INCREASE WORKING CAPITAL	$975,319.03	$2,952,590.99	$ 2,841.05

The notes to the financial statements are an integral part of this statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the County of Stanislaus (the County) is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of the County's management. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. The financial statements do not include the Scenic General Hospital Fund which is under the control of the Board of Supervisors acting as Board of Trustees. Also not included are the schools, districts, trusts, and other agencies which are not governed by the Board of Supervisors.

Funds and Account Groups: The County's financial accounts are maintained in accordance with the uniform accounting system for counties prescribed by the State Controller in compliance with the Government Code of the State of California. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The County's financial activities are accounted for in the following types of funds and account groups:

General Fund: To account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: To account for the proceeds of specific revenue sources, other than special assessments, expendable trusts, or capital projects, that are legally restricted to expenditures for specified purposes. This group includes Road, Litter Cleanup, County Fire Service, Fish and Game, Department of Justice-Alcohol-Drug Analysis, Off-Highway Vehicle, Public Employment, County Superintendent of Schools, Air Pollution, County Survey Monument Preservation, Area Agency on Aging, and Job Training Partnership Act.

Capital Projects Funds: To account for financial resources to be used for the acquisition or construction of major capital facilities. Included are General Revenue Sharing and Highway/Bridge Bond Funds.

Special Assessment Funds: To account for the financing of public improvements deemed to benefit the properties against which special assessments are levied. Alley Improvement Assessment Districts are recorded in this group.

Enterprise Funds: To account for operations that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds: To account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Trust and Agency Funds: To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and for other funds. These include expendable and non expendable trust funds, agency funds, suspense funds and clearing funds.

General Fixed Assets Account Group: To account for all fixed assets except those related to specific enterprise and internal service funds.

General Long-Term Account Group: To account for the long-term portion of compensated absence liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting: The modified accrual method of accounting is used for the County's general fund, special revenue funds, capital projects funds, special assessment funds, and expendable trust and agency funds. Under this method, revenues are generally recognized when the related cash is received unless they are measurable and available to finance the County's operations. Expenditures are recorded when incurred.

The accrual method of accounting is used for the internal service funds, enterprise funds, and nonexpendable trust funds.

Grant Revenues: Certain grant revenues are recognized when specific related expenditures have been incurred.

Fixed Assets: Fixed assets are recorded at cost, or estimated cost, in the enterprise, internal services, and nonexpendable trust funds. Depreciation and amortization of fixed assets are provided on the straight-line method over their estimated useful lives, which range from three to fifty years. Landfills, in the enterprise funds, are amortized over the estimated number of years that space will be available.

Self-Insurance: The County provides workers compensation, general liability, unemployment, and health benefits under self-insured plans. The estimated accrued liability for claims is based upon the County's historical experience with a case by case evaluation for workers' compensation and general liability claims.

Encumbrances: The County encumbers obligations in the form of purchase orders or contracts which are chargeable to an appropriation. These cease to be encumbrances when the actual liability is incurred. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

Fund Equity: Amounts reported as designated for subsequent years' expenditures in fund equity available relate to unused appropriations that are expected to be expended during the next fiscal year.

NOTE 2: CASH AND INVESTMENTS

Cash and short-term investments are generally held in commingled accounts by the County Treasurer. Investments are stated at cost, which approximates market.

At June 30, 1985, commingled cash and investments with the County Treasurer consisted of the following:

Cash on Hand	$ 165,287.41
Cash in Banks:	
Active Accounts	5,745,669.29
Inactive Accounts	51,225,000.00
Banker's acceptances	12,587,276.39
Local Agency Investment Fund	15,150,000.00
Repurchase Agreement	13,000,000.00
Treasurer's Clearing Account	(2,627.15)
	$ 97,870,605.94
Outstanding Warrants	(18,384,165.13)
	$ 79,486,440.81

NOTE 2: CASH AND INVESTMENTS (Continued)

Cash and investments are included in the following funds:

Per financial statements included herein:	
General Fund	$ 1,269,374.08
Special Revenue Funds	3,294,033.28
Capital Projects Funds	4,441,094.78
Special Assessment Funds	15,636.83
Enterprise Funds	1,246,429.87
Internal Service Funds	7,821,451.11
Trust and Agency Funds	11,928,100.96
School Districts, Pension Trust Fund, Scenic General Hospital Fund, and Special Districts not Governed by the Board of Supervisors	49,470,319.90
	$79,486,440.81

NOTE 3: LEASES

The County leases equipment under long-term lease agreements, substantially all of which are cancelable at the option of the County with minimal or no penalty. Aggregate rental expense for all leases approximated $2,700,000 for the year ended June 30, 1985 The following is a yearly schedule of future minimum rental payments under operating leases with original terms of one year or more:

	Capital Lease	Operating Leases
1985/86	$ 204,564	$ 530,512
1986/87	204,564	424,713
1987/88	102,282	232,579
1988/89		162,192
1989/90		128,011
1990/Later		18,150
Total minimum lease payments	$ 511,410	$1,496,157
Less amounts representing interest	55,876	
Present value of net minimum lease payments	$ 455,534	

NOTE 4: EMPLOYEES' RETIREMENT PLAN

The County has an employees' retirement plan covering substantially all of its employees. Contributions are made partially by employees, with the County paying the remainder of the required contribution, which is determined by a consulting actuary. For the year ended June 30, 1985, employer contributions amounted to approximately $7,200,000.

NOTE 5: SCENIC GENERAL HOSPITAL

To satisfy its responsibility under Welfare and Institutions Code Section 17000--indigent health services--the County maintains a county hospital known as Scenic General Hospital. The hospital is operated by an outside management firm who reports to the Board of Supervisors acting as a Board of Trustees. The County records the cash transactions in an enterprise fund, but the actual day-by-day accounting records are maintained by the hospital staff subject to an independent audit.

NOTE 6: TRANSFERS

	IN	OUT
General Fund:		
Imprest Cash Adjustment - J3772	$ 120.75	$
Cancellation of Prior Year Accounts Payable	2,334.70	
Reimbursement from Hospital - J4198/99	1,336,924.58	
Transfers from Revenue Sharing	3,354,814.00	
Transfer to Area Agency		58,064.00
Transfer to Air Pollution		19,646.05
Total	$ 4,694,194.03	$ 77,710.05
Special Revenue:		
Area Agency from General Fund	$ 58,064.00	$
Air Pollution from General Fund	19,646.05	
Road Fund from Revenue Sharing	100,000.00	
Total	$ 177,710.05	$ 0.00
Capital Projects:		
Reimbursement to General Fund	$	$ 3,354,814.00
Reimbursement to Road Fund		100,000.00
Prior Year Project Cancellation - Return to Trust		300,000.00
Total	$ 0.00	$ 3,754,814.00
Expendable Trust/Agency Funds:		
Expendable Trust Receipts	$116,376,648.79	$
Expendable Trust Disbursements		122,789,045.46
Suspense and Clearing Receipts	359,886,249.19	
Suspense and Clearing Disbursements		360,039,630.81
Loan to North Oaks Lighting	1,350.00	
Total	$476,264,247.98	$482,828,676.27
Non-Expendable Trust Funds:		
Cash Transfer to Inmate Welfare Trust	$ 0.00	$ 35,747.90

NOTE 7: CONTINGENT LIABILITIES

In addition to liabilities shown on the Balance Sheet, the County is a defendant in a number of legal actions arising in the normal course of its activities. It is the opinion of the County Counsel, as of June 30, 1985, none of these actions are expected to have a material effect on County operations or financial condition.

STATISTICAL SECTION

THE COUNTY OF STANISLAUS
GENERAL INFORMATION

Formation Year: 1854

Government: A general law county, governed by the General Laws of the State of California.

Population:

	Prior Year Population*	Current Year Population*
Cities		
Ceres	16,314	16,793
Hughson	2,972	3,032
Modesto	122,855	126,353
Newman	3,390	3,411
Oakdale	9,167	9,665
Patterson	4,636	4,804
Riverbank	6,172	6,446
Turlock	31,755	32,426
Waterford	2,931	2,917
Total Incorporated	200,192	205,847
Unincorporated	92,125	93,460
Total County	292,317	299,307

Number of County Employees:

	June 1980	June 30, 1981	June 30, 1982	June 30, 1983	June 30, 1984	June 30, 1985
Regular	2,407	2,549	2,530	2,451	2,481	2,546
CETA	164	86	0	0	0	0
Part Time	382	395	406	427	434	508
Total	2,953	3,030	2,936	2,878	2,915	3,054

Ratio (Employees to County Population):

1 - 86	1 - 90	1 - 95	1 - 99	1 - 100	1 - 98

*As of January 1.

COUNTY OF STANISLAUS
GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

TABLE I

Fiscal Year	General Government	Public Protection	Public Ways	Health and Sanitation	Public Assistance	Education	Recreation	Debt Service	Capital Outlay	Transfer Out
1976	$2,930,313	$13,309,036	$3,924,038	$ 5,718,773	$47,208,549	$2,413,147	$ 905,751	$316,291	$6,446,744	$ 125,000
1977	3,533,450	15,278,974	4,368,263	6,205,626	51,743,470	2,652,107	972,357	308,090	4,849,586	98,642
1978	5,456,613	17,556,558	3,878,864	7,003,026	64,182,868	2,818,735	1,251,091	299,840	3,684,575	75,000
1979	4,225,411	20,006,229	3,977,973	7,300,310	67,671,133	2,754,176	815,758	291,464	2,421,377	75,000
1980	5,131,467	23,424,098	4,524,207	8,594,941	63,503,443	3,065,252	989,392	283,178	1,891,060	75,000
1981	5,302,120	27,158,232	5,542,978	9,706,821	61,704,359	3,526,579	1,106,674	274,737	1,958,354	1,056,765
1982	6,299,764	30,117,697	6,138,243	11,029,941	71,356,911	4,006,204	1,112,226	318,561	2,607,862	113,186
1983	4,966,964	30,497,630	8,349,137	10,882,331	70,934,763	4,039,408	1,052,090	0	1,413,835	478,706
1984	6,476,420	32,478,511	7,408,730	10,624,704	81,596,404	3,852,494	1,103,227	0	3,129,555	824,123
1985	6,128,553	36,740,253	9,364,487	11,817,494	90,127,363	4,768,805	1,468,622	0	2,808,997	3,832,524

COUNTY OF STANISLAUS
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS

TABLE 11

Fiscal Year	Taxes*	Licenses and Permits	Fines and Forfeitures	Use of Money and Property	Aid From Other Governmental Sources	Charges for Current Services	Other Revenues	Total
1976	$22,965,222.23	$ 308,524.71	$1,031,307.56	$2,257,884.32	$ 43,515,810.34	$ 8,785,040.14	$114,[illegible].84	$ [illegible].00
1977	26,212,935.37	321,451.03	1,189,534.76	1,782,702.97	51,245,953.40	10,176,041.10	154,[illegible].[illegible]	[illegible].00
1978	28,968,647.76	352,540.40	1,097,014.06	2,009,612.74	59,188,346.82	12,841,204.05	214,[illegible].34	[illegible].00
1979	19,268,197.59	394,854.08	1,375,038.00	2,900,691.07	74,584,171.25	13,154,022.41	[illegible].[illegible]	[illegible].00
1980	22,354,195.98	1,032,782.03	1,124,949.33	4,281,823.18	68,761,665.20	15,781,151.05	805,804.41	[illegible].00
1981	23,107,934.62	1,002,376.21	1,686,450.49	5,019,883.92	81,924,932.89	4,948,006.01	925,020.01	1,430,881.80
1982	23,311,503.55	1,030,223.04	1,611,749.67	5,343,017.66	89,078,400.14	5,151,160.11	914,941.01	[illegible].[illegible]
1983	27,327,073.27	1,066,478.27	1,814,621.58	4,817,618.51	93,240,572.67	5,015,434.26	800,521.01	478,400.00
1984	27,057,608.79	1,146,294.33	1,688,380.[illegible]	2,743,145.22	105,367,252.55	6,881,111.42	182,1[illegible].[illegible]	834,447.20
1985	28,771,684.03	1,076,818.87	1,915,557.80	1,892,285.57	113,927,008.44	6,314,062.26	442,[illegible].[illegible]	4,841,004.00

*Includes Special Assessments

COUNTY OF STANISLAUS
PROPERTY TAX CHARGES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

TABLE III

Fiscal Year	Secured Tax Charge	Unsecured Tax Charge	Total Tax Charge	Collections Through June 30	Delinquent Balance	Ratio of Delinquency To Tax Charge
1976	64,346,401.83	5,596,030.46	69,942,432.29	68,720,122.55	1,222,309.74	1.748%
1977	72,030,220.86	6,430,797.40	78,461,018.26	77,191,996.72	1,269,021.54	1.617%
1978	81,137,028.76	7,629,744.42	88,766,773.18	87,455,895.24	1,310,877.94	1.478%
1979	45,740,633.88	4,266,171.36	50,006,805.24	49,144,259.25	862,545.99	1.725%
1980	53,837,784.40	4,617,621.80	58,455,406.20	57,142,187.50	1,313,218.70	2.247%
1981	60,113,683.06	3,404,976.97	63,518,660.03	61,390,586.49	2,128,073.54	3.350%
1982	65,196,318.80	4,020,043.05	69,216,361.85	65,518,180.87	3,698,180.98	5.343%
1983	70,903,911.08	4,647,824.70	75,551,735.78	71,655,302.46	3,896,433.32	5.157%
1984	75,473,339.27	4,922,369.80	80,395,709.07	76,851,707.58	3,544,001.49	4.408%
1985	78,648,256.47	5,013,553.97	83,661,810.44	79,393,597.37	4,268,213.07	5.102%

(1) Does not include Airplane Tax.

COMPARISON OF TOTAL TAX CHARGE WITH COLLECTIONS
FOR FISCAL YEAR ENDED
JUNE 30, 1985

TABLE III
SCHEDULE A

	Secured Taxes 1984-85	Unsecured Taxes 1984-85	Total 1984-85
CHARGE			
Tax Collector's Roll	$74,287,988.90	$4,667,947.58	$78,955,936.48
Utility Roll	3,813,321.92	0.00	3,813,321.92
Penalty Charges - 1st Installment	44,315.16	45,233.63	89,548.79
Penalty Charges - 2nd Installment	260,051.09	0.00	260,051.09
Interest (Penal)	25,825.92	14,920.79	40,746.71
Costs	16,055.00	0.00	16,055.00
Net Board Adjustments	200,698.48	285,451.97	486,150.45
Total Charge	$78,648,256.47	$5,013,553.97	$83,661,810.44
COLLECTIONS			
Through June 30, 1984	$74,622,027.77	$4,771,569.60	$79,393,597.37
DELINQUENT BALANCE - June 30, 1984	$ 4,026,228.70	$ 241,984.37	$ 4,268,213.07